

Message Text

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ACTION AF-04

INFO OCT-01 SS-14 ISO-00 EB-04 NSC-05 INR-05 CIAE-00
NSAE-00 SP-02 TRSE-00 OMB-01 DODE-00 DOE-01 SOE-01
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R 251501Z JUL 78

FM AMEMBASSY BRAZZAVILLE

TO SECSTATE WASHDC 896

C O N F I D E N T I A L BRAZZAVILLE 1008

LIMDIS

E.O. 11652: GDS

TAGS: EFIN, ECON, PINT, PFOR, CF, US

SUBJECT: CONGOLESE FINANCIAL SITUATION

1. ON INSTRUCTIONS FROM PRESIDENT YHOMBY-OPANGO,
PRESIDENTIAL POLITICAL ADVISOR EKONDY SHOWED CHARGE
JULY 21 COPY OF CONFIDENTIAL TELEGRAM SENT TO CONGOLESE PRESIDENT
JULY 19 BY FOREIGN MINISTER OBENGA, FROM KHARTOUM. OBENGA
MESSAGE REFERS TO A PROPOSAL MADE BY "WASHINGTON INTERNATIONAL
CORPORATION," OF MCLEAN, VIRGINIA TO LOAN GOCB
USD 200 MILLION. OBENGA ADDS THAT HEAD OF CONGOLESE
DELEGATION TO OAU SUMMIT, OKONGO, WILL BE RETURNING TO
BRAZZAVILLE WITH PERTINENT DOCUMENTATION, AND SUGGESTS
THAT EKONDY BE SENT TO US SOONEST TO NEGOTIATE LOAN.

2. EKONDY THEN SHOWED CHARGE FILE CONCERNING COMPANY.
A PROPOSAL APPARENTLY WAS INITIALLY MADE BY COMPANY IN
SEPTEMBER 1976 TO CONGOLESE AMBASSADOR MONDJO AND OBENG,
IN NEW YORK, CALLING FOR 2 LOANS, ONE OF USD 50 MILLION,
FOR 10-YEAR PERIOD, AT 9 1/2 PERCENT INTEREST PAID
QUARTERLY OR SEMI-ANNUALLY, PLUS A LOAN OF USD 100
MILLION FOR DEVELOPMENT OF CONGOLESE OIL RESOURCES.
ININTERMEDIARY IS ONE L. BLAINE LILJENQUIST, EXECUTIVE
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SECRETARY TO WILLIAM H. TUTTLE, 292 GOMES COURT, NO. 3,
CAMPBELL, CALIFORNIA 95008. LILJENQUIST'S WASHINGTON
ADDRESS, AND THAT OF COMPANY, IS: 1234 MEYERE COURT,
MCLEAN, VIRGINIA. LILJENQUIST IS DESCRIBED AS FORMER
PRESIDENT, WESTERN STATES MEAT PACKERS ASSOCIATION, INC.

3. RECOGNIZING DOC'S VERY JUSTIFIED RELUCTANCE TO

HAVE USG PROVIDE RECOMMENDATIONS, ONE WAY OR ANOTHER, CONCERNING AMERICAN FINANCIAL HOUSES OR COMPANIES, WE HAVE SUGGESTED STRONGLY TO CONGOLESE THAT THEY THEMSELVES MAKE INQUIRIES CONCERNING RELIABILITY OF POTENTIAL CREDITOR. AT SAME TIME, BELIEVE THAT DOC DEVELOPING SOME INFORMATION AT LEAST FOR US CONCERNING THIS OFFER WOULD BE HELPFUL IN TWO RESPECTS: (A) REPUTABLE US COMPANY OBVIOUSLY COULD BE OF ASSISTANCE TO CONGOLESE BY ADVANCING PRIVATE LOAN AND/OR (B) IF COMPANY'S BONA FIDES ARE NOT ESTABLISHED, AT LEAST OUR OWN KNOWLEDGE OF THIS COULD HELP US TRY TO AVOID PROBLEM WHICH SURELY WOULD RETURN TO OUR OWN DOOR STEP. YHOMBY-OPANGO SEEMS VERY KEEN ON GOING AHEAD WITH THIS LOAN. IF IT IS A BUMMER, IT COULD ERODE OUR GOOD RELATIONS, DESPITE CONGOLESE RECOGNITION THAT IT WOULD BE PRIVATE SECTOR LOAN. ACCORDINGLY, WE WOULD BE GRATEFUL IF DEPARTMENT COULD ASK COMMERCE FOR AT LEAST SOME BASIC INFORMATION CONCERNING LILJENQUIST'S COMPANY. FYI: NAME OF CALUMET ENTERPRISES, INC, SHOWS UP IN PAPERWORK (THIS ONE SOUNDS FAMILIAR; DID IT FIGURE IN TRANS-OCEANIC OR FLIGHT SYSTEMS PROPOSALS?). ONLY BANK SPECIFIED IS ASSOCIATED BANKERS CREDIT TRUST (ZURICH), AND WE RECOGNIZE DIFFICULTIES IN DEVELOPING INFORMATION FROM SUCH A SOURCE. END FYI.

4. EKONDY IS NOW PLANNING TO TRAVEL TO WASHINGTON TO
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DISCUSS MATTER WITH LILJENQUIST, AS WELL AS TO SEE WORLD BANK, UPON OKONGO'S RETURN TO BRAZZAVILLE WITH LATEST PROPOSAL.

5. EKONDY ADMITTED RECENT PRESIDENTIAL PROBLEMS WITH YOUTH LEADER NGOMBE (BRAZZAVILLE 971), BUT SAID THAT AT MILITARY COMMITTEE MEETING JULY 18, YHOMBY SHOWED HIMSELF TO OTHERS TO BE VERY MUCH IN CONTROL, PROPOSING CONCRETE STEPS FOR REDRESSING ECONOMY. THESE INCLUDED CLOSING OR CUTTING DOWN EMBASSIES ABROAD (WASHINGTON IS ONLY EMBASSY TO BE OPENED THIS YEAR; PROPOSAL TO OPEN IN TRIPOLI REPORTEDLY WAS REJECTED), AND FOR ESTABLISHING CENTRALIZED FINANCIAL MANAGEMENT. COMMISSION FOLLOWING UP ON LAST WEEK'S SESSIONS ON ECONOMY (BRAZZAVILLE 963) MEETS AGAIN BEGINNING JULY 21.
KATZEN

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NNN

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